

Investment Opportunities in Ghana

Considering setting up in Ghana



Free Zone

Ghana has a free zone which allow entities licensed as free zone entities or free zone developers exemption from income tax (0%) for a period of 10 years starting from date of commencement of operation. After the expiration of the concession period, a free zone enterprise is subject to corporate tax at 15% on the goods and services exported and 25% tax on the domestically made sales.

An entity which exports at least 70% of annual production of goods and services and 30% of annual production of goods and services may be eligible to apply for free zone license.

The Free Zone Board has earmarked the sectors set out below as priority areas:

- Information and Communication Technology (ICT)
- Textile/apparel Manufacturing
- Agro-food Processing
- Seafood Processing
- Jewellery/Handicraft Production
- Metal/Hand Tool Fabrication
- Floriculture
- Light Industry/Assembling Plant
- Ceramic Tiles Manufacturing
- Pharmaceuticals
- Ethnic Beauty Products

A person can choose to invest as enclave developers to provide necessary on-site infrastructure on selected export processing zones or propose their own land to be designated as export processing zones which can be leased to other investors.

Real Estate

Ghana has a housing deficit of at least 1.7 million. Successive government have entered partnership with local and foreign investors with the view of closing the gap.

Companies going into building of affordable residential housing units is exempt from tax for a period of 5 years.

In order to be eligible for this tax exemption, the Minister for Housing must certify the entity as being in the business of providing low cost housing.

Entities providing real estate which are deemed as low cost housing account for Value Added Tax (VAT) at 5% instead of 17.5%.

Financial Services

Ghana has a growing financial sector. It has 31 licensed commercial banks, 65 non-banking financial institutions as of 31 March 2016.

Entities in the financial services industry are generally subject to corporate income tax at 25%.

The key incentives in the financial services are:

- a. **Rural Bank:** an entity established to offer rural banking is subject to tax at 1% for the first 10 years.
- b. **Financial Institution:**
 - income made by a financial institution from loan given to a leasing company to fund acquisition of assets for lease taxed at 20%.
 - income derived from a loan granted to a farming business for use by the entity in the production of income is subject to tax at 20%.
- c. **Mutual Funds/Unit Trust**

Mutual Fund/Unit Trust approved by the Securities and Exchange Commission[SEC] is subject to tax at 1% for a period of ten years.
- d. **Venture Capital Funds**

A venture capital fund is subject to tax at 1% for a period of 10 years.

Agriculture

A person who engages wholly in an agro processing business conducted in Ghana is taxed at the rate of 1% for a period of five years of assessment commencing from the year in which commercial production commences.

The income of a person from a cocoa by-product business conducted solely in Ghana is taxed at the rate of 1% for a period of five years of assessment commencing from the year in which commercial production begins.

Waste Processing Business

An entity which engages in the business of waste processing business is subject to tax at the rate of 1% for a period of 7 years of assessment.

How we can help

Veritas Equities is an independent investment banking company based in Accra, Ghana. We can assist you establish a presence in Ghana. Veritas Equities is a leader in investment management, corporate advisory and research & analytics. Our insight into the capital markets and business intelligence in the economy help deliver returns for our shareholders and investors by so doing building a better future for our clients.

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